GOVERNMENT OF ANDHRA PRADESH

**ABSTRACT**

Chit Fund Act, 1982 – Appeal Petition filed by Sri B.Veeresh, Kurnool against the Award passed in Dispute No.66/2016 dated 12.06.2019 by the Deputy Registrar of Chits, Kurnool – Orders – Issued.

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REVENUE (REGN.II) DEPARTMENT

G.O.RT.No. 971 Dated: 24-09-2019

Read the following:-

1. Appeal Petition filed by Sri B.Veeresh, Kurnool dated 13.08.2019.
2. Govt. Letter No. REVSOACTS(CHIT)/26/2019, Dated:04.09.2019.

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**ORDER**:-

Sri B.Veeresh, Kurnool has filed an Appeal Petition before the Government under Section 70 of the Chit Fund Act, 1982 against the Award in Dispute No.66/2016 dated 12.06.2019 passed by the Deputy Registrar of Chits, Kurnool.

2. Brief facts of the case is as follows:-

(i) The appellant herein has joined the Chit No:FSRTO1J and allotted Ticket No.44 worth of Rs.5,00,000/- at the rate of Rs.10,000/-per month for 50 months. Sri B.Veeresh participated in the bid auction on 25.06.2013 and became successful bidder having agreed to forego Rs.2,00,000/- and the Opponent No.1 furnished guarantors who executed an agreement of Guarantee in favour of the disputant company agreeing to a guarantee the due payment of the amounts due to the company by the 1st opponent. The company has paid the prize amount of Rs.3,00,000/- to the appellant. Sri B.Veeresh has paid (25) installments in full and and thereafter committed default in paying the installments from 26th instalment onwards. Inspite of repeated demands made by the disputant company, the opponents failed to pay the dues. The disputant company to demand future subscriptions by written notice to pay the sum of Rs. 6,53,640/- under section 33 of the Chit Funds Act,1982 issued on 24.2.2016. The Disputed Company filed a dispute application before the Deputy Registrar of Chits, Kurnool and the same was numbered as Dispute No.66/2016. The Deputy Registrar of Chits, Kurnool sent notices to 1-4 respondents herein to appear before the Arbitrator/Dy. Registrar of Chits, Kurnool. The Deputy Registrar of Chits, Kurnool issued paper publication on 5.6.2019, opponents are called absent, no representation set exparty. The Deputy Registrar of Chits, Kurnool passed award in Dispute No.66/2016, dated:12.06.2019 in favour of the Respondent No.1 herein ordering that the company is entitled to recover a sum of Rs.2,87,136/-(Rupees Two Lakhs Eighty Seven thousand One Hundred and thirty six only) from opponents together with interest at the rate of 18% per annum on the principal amount of Rs.2,42,700/- from the date of filing of the Dispute till the date of realization and also Rs.8,503/- towards costs of the dispute.

3. The case is posted for hearing on 23.09.2019 at 11.00 a.m. The Counsel for the Appellant and the Counsel for Respondent (Chit Fund Company) attended. Heard both the parties.

4. Government after careful examination of the material available on record, allowed the appeal and the order passed by the Deputy Registrar of Chits, Kurnool is hereby modified. The appellants herein who are the Opponents No.1 to 4, in Dispute No.66/2016, dated:12.06.2019 on the file of Deputy Registrar of Chits, Kurnool are

[P.T.O.]

hereby directed to pay the Award amount of **Rs.1,63,924**/- /-(Rupees One lakh Sixty three thousand Nine hundred and twenty four only) (after deduction of Rs.2,30,000/- which was already paid by the appellant to the Chit Fund Co., from a total awarded amount of Rs.2,87,136/- + Rs.1,06,788/- interest @ 12% for the period from 2.1.2016 to 2.9.2019 (44 months) i.e., Rs.3,93,924/-) as mutually agreed by both the parties within 3 months i.e., by 24.12.2019. In default, the Respondent No.1 (Chit Fund Company) who is the disputant in Dispute No. 66/2016 is at liberty to proceed as per Chit Fund Act,1982 to recover the award amount as decreed by Deputy Registrar of Chits, Kurnool in Dispute No.66/2016 after 24.12.2019 from the opponents.

5. In exercise of the powers conferred under section 70 of the Chit Fund Act, 1982, the Government is hereby allowed the appeal of the appellant being common understanding of both the parties and disposed of accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr.D.SAMBASIVA RAO
SPECIAL CHIEF SECRETARY TO GOVERNMENT

1. The Dy. Registrar of Chits, Kurnool.
2. M/s Kapil Chits (HYD) Pvt. Ltd., Kurnool through the Dy.Registrar of Chits,Kurnool.
3. Sri B.Veeresh, S/o. B.Erranna, H.No. 4/2118, Valmiki Nagar, Adoni through the Dy.Registrar of Chits, Kurnool.
4. Sri P.Neelakanta Swamy, S/o. P.Pennappa, H.No.2-603, Srinivasa Nagar, A-A-S College Road, Adoni, Kurnool District through the Dy.Registrar of Chits, Kurnool.
5. Sri Y.Muthanna, S/o. Y.Hanumanthappa, H.No. 1-136-14, R.T.C. Colony, Adoni, Kurnool through the Dy.Registrar of chits, Kurnool.
6. Sri S.Kiran Kumar, S/o. S.Paul, H.No.6-43-4, SC Colony, Kodumur O/o. DFO, B.Camp, Kurnool through the Dy. Registrar of Chits, Kurnool.
7. Sri Dasari Rajasekhar, Dasari Arunasekhar, Advocates, D.No. 29-1-30A, Governorpet, Vijayawada through the Dy. Registrar of Chits, Kurnool.

Copy to:

8. The Commissioner & Inspector General, R&S, A.P., Vijayawada.
9. The P.S. to Spl. C.S. to Govt., Revenue (Regn) Dept.

//FORWARDED::BY ORDER//

SECTION OFFICER